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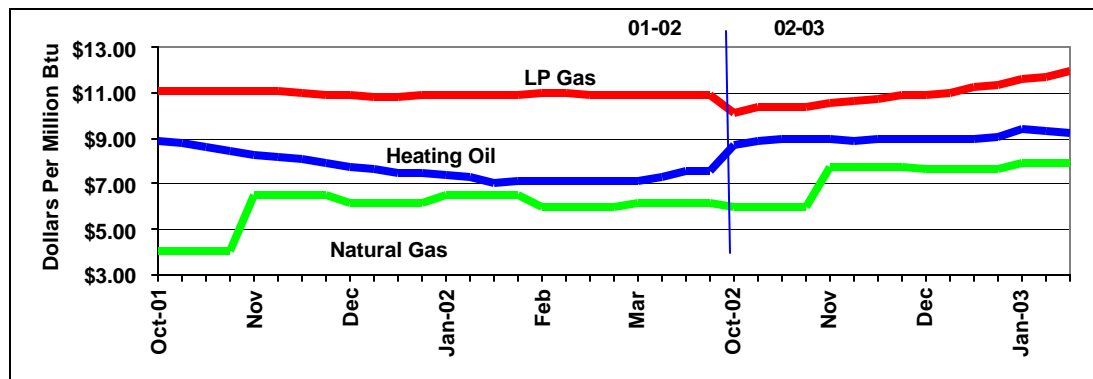
FOR IMMEDIATE RELEASE
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SUBJECT: Wisconsin's Residential Winter Heating Fuels Price Survey

The Wisconsin Department of Administration's Division of Energy conducts a statewide survey of liquid propane gas (LP), heating oil and natural gas residential prices throughout the winter heating season.

Date	Heating Oil		LP Gas		Natural Gas ^{b,c}
	(\$/gallon)	(\$/million Btu ^a)	(\$/gallon)	(\$/million Btu ^a)	(\$/million Btu ^a)
Jan. 20, 2003	\$1.279	(\$9.222)	1.143	(\$11.972)	(\$7.878)

2001-02 and 2002-03 Winter Heating Season



^aMillion Btu is a unit of energy and equals 10 therms. For Example in January 2003, the average cost of natural gas is \$7.878 per Million Btu or **\$0.7878 per therm**.

^bNatural gas has an average fixed charge of \$5.90 per month in January 2003, which would add about \$0.33 per million Btu. The actual increase will depend on usage, which varies by month, and the specific utility's fixed charge.

^cFor the months of November through April, the utilities add an additional cost per million Btu that reflects the costs of building interstate natural gas pipelines large enough to serve the peak winter heating needs of their customers. This results in a jump in natural gas prices in November.

Compared to a year ago, the price of heating oil has *increased* 30 cents per gallon (30.6 percent), while the LP price has *increased* 10.1 cents per gallon (9.7 percent). Compared to prices in March, the end of last year's heating season, heating oil prices are up 23.4 cents (22.4 percent) and LP prices are up 10.2 cents (9.8 percent). Since the last survey was conducted, on January 6, 2003, the price of heating oil has *decreased* 2.5 cents per gallon (1.9 percent), and the price of LP has *increased* 3.7 cents per gallon (3.3 percent).

Prices may be higher or lower in some areas of the state because origin of supply and transportation costs varies around Wisconsin. These prices are the charge prices. Customers who pay in cash may be eligible for a cash discount.

The price per million Btu of natural gas to residential customers is 21.6 percent higher than a year ago (January 2002) and 2.9 percent higher than last month (December 2002). *The procedure for estimating the statewide natural gas price is a weighted average price.* For each utility, the weight used was its residential gas sales in the corresponding month one year ago.

2002-2003 Season's Outlook

Compared to this time last year, the price of propane is 9.7 percent higher, heating oil is 30.6 percent higher and natural gas is 21.6 percent higher. Last year, Wisconsin's winter was particularly mild (17.8 percent warmer than the previous winter and 16 percent warmer than normal—measured in heating degree-days). So far, this winter is 4.9 percent warmer than normal and 18 percent colder than last year. However, even if this winter is warmer than normal, the prices of natural gas and heating oil throughout the heating season will be significantly higher than last year's prices, with the price of propane averaging a little higher than last year's price. Approximately 66 percent of Wisconsin households heat with natural gas, 11 percent with propane and 8 percent with heating oil.

The U.S. Department of Energy (DOE) estimates that there is 0.8 percent less natural gas in storage than the five-year average. Also, U.S. propane inventories are in the middle of their normal range, while distillate inventories are at the lower end of their normal range for this time of year. However, with normal winter weather, inventories of all three heating fuels should be sufficient to meet the needs of Wisconsin residents.

Last winter, mild weather, ample supplies of heating fuels and slowing growth in industrial activity reduced energy demand and resulted in constant or declining energy prices throughout the heating season. This year, the colder winter weather, increasing economic activity and the potential for war with Iraq, along with less drilling of natural gas wells, are resulting in higher energy prices. Also, the general strike in Venezuela that began on December 2nd is disrupting that country's production of crude oil and petroleum products and almost completely shutting down its petroleum exports. Venezuela is the world's fifth largest petroleum exporter and provides approximately 14 percent of U.S. petroleum imports. The price of crude oil has increased approximately 27 percent since the start of the Venezuela general strike.

The current spot market prices of crude oil, propane and natural gas are all significantly higher than their average prices during last year's heating season (crude oil up 65 percent, propane up 70 percent and natural gas up 120 percent).

Help With Heating Bills

Wisconsin's Home Energy Assistance Program helps households with incomes below 150 percent of the federal poverty level (\$27,150 a year for a family of four) pay for home energy costs. This program is operated through county human/social services departments, Indian tribal agencies and community agencies, under the direction of the Division of Energy. Low income households may receive payments under the federal Low Income Home Energy Assistance Program and the state public benefits program. The amount depends upon household size, income level and home energy costs. Households may also qualify for crisis assistance benefits, which can include purchase of home heating fuel, cash grants to fuel suppliers, temporary shelter and heating unit replacements or repairs. For additional information, households should contact their local county human/social services department.

